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FOR IMMEDIATE RELEASE

Senator Baddour Votes to Reform Massachusetts Energy Policy

(BOSTON, MA) – Senator Steven A. Baddour (D-Methuen) voted on Tuesday to pass a sweeping energy reform package that focuses on promoting and developing energy efficiency and renewable energy across the Commonwealth.

The Green Communities Act emphasizes “Efficiency First Energy Procurement” and requires distribution companies to consider all available energy resources when purchasing power. The bill also mandates that the state’s electric companies purchase the most cost-effective and stable resources, with the goal of procuring all cost-effective energy efficiency and conservation before turning to a more expensive supply from traditional sources.

“With the cost of energy skyrocketing, it is critical that the Commonwealth’s energy policies prioritize energy efficiency while encouraging the development of alternative fuels, other emerging technologies and alternative methods of energy service, such as net metering,” Senator Baddour said. “This legislation takes those necessary steps.”

Specifically for cities and towns, the legislation directs the Department of Energy Resources’ new Division of Green Communities to establish a green communities program. This will give cities and towns the opportunity to take advantage of loans and grants provided by the state to finance the cost of energy efficiency improvements and renewable and alternative energy projects.

“It is becoming increasingly evident that we must take the necessary steps of moving ourselves toward greater energy independence,” said Senator Michael W. Morrissey (D-Quincy), Senate Chair of the Joint Committee on Telecommunications, Utilities and Energy. “Renewable energy and energy efficiency must be at the forefront in order to meet our goals. The bill provides various incentives and assistance for new renewable energy development and continued support of our existing renewable and alternative energy facilities and programs.”

The bill also revamps the existing Massachusetts Renewable Energy Trust Fund, housed within the Massachusetts Technology Park Collaborative. The Fund, still under the direction of the Collaborative, will now be directly overseen and administered by a governing board, chaired by the Commissioner of the Department of Energy Resources. The new board will be required to ensure that funds will be used to generate the maximum economic and environmental benefits from renewable energy to the ratepayers of the Commonwealth. This will be achieved through initiatives which utilize the advantages of renewable energy in a more competitive energy marketplace.

Furthermore, the legislation establishes the Regional Greenhouse Gas Initiative Auction Trust Fund, consisting of funds recovered through carbon dioxide allowance auctions. In January 2007, Massachusetts joined the Regional Greenhouse Gas Initiative, a cooperative effort by Northeastern and Mid-Atlantic states to reduce carbon dioxide emission. Funds from these auctions, deposited into the trust, will be used for projects like the green communities program and the promotion of energy efficiency, conservation and demand response.

Another important initiative within the bill amends the current renewable energy portfolio standard and creates a second tier to assist our region’s existing renewable resources while we continue to promote new renewable energy to come online. Class I eligible technologies will include new and incremental renewable generation while the second tier, Class II, is created to include existing renewable generation.

The Green Communities Act also:

- Directs the state to replace state-owned and operated vehicles with more fuel-efficient vehicles;
- Directs the Secretary of Energy and Environmental Affairs to establish a program whereby homeowners or tenants can purchase renewable energy products for the home with no up-front payment, and pay them off monthly on their utility bill;
- Establishes a five-year pilot program, requiring distribution companies to enter into cost-effective renewable energy contracts, over 10 to 15 years, to help eliminate a barrier in the financing of renewable energy generation in the Commonwealth;
- Codifies the Office of the Ratepayer Advocate under the Attorney General to intervene in proceedings on behalf of Massachusetts ratepayers;
- Encourages net metering to promote on-site generation through financial incentives;

- Establishes a commission to examine the environmental and economic impact of instituting a green building plan for the Commonwealth.

Governor Patrick signed the bill into law on July 2, 2008 – Chapter 169 of the Acts of 2008.
(<http://www.mass.gov/legis/laws/seslaw08/index.htm>)

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